

Santa Cruz County Economic Forecast

Mild weather, natural beauty, a major university, and proximity to the Silicon Valley are elements that contribute to economic activity and the quality of life in Santa Cruz County. With its spectacular coastline, and accessible beaches and mountains, the County is a popular vacation and recreation area.

Santa Cruz County's 2001 annual average unemployment rate, 6.1 percent, was higher than the state's rate of 5.2 percent, but the county's rate has generally been in decline over the last 7 years.

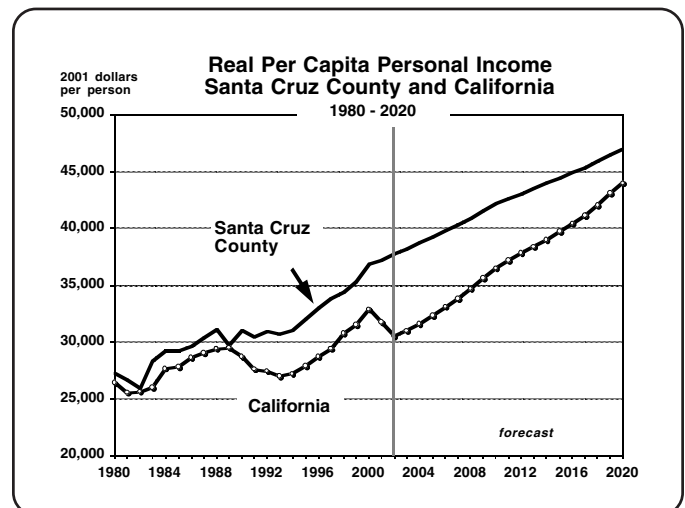
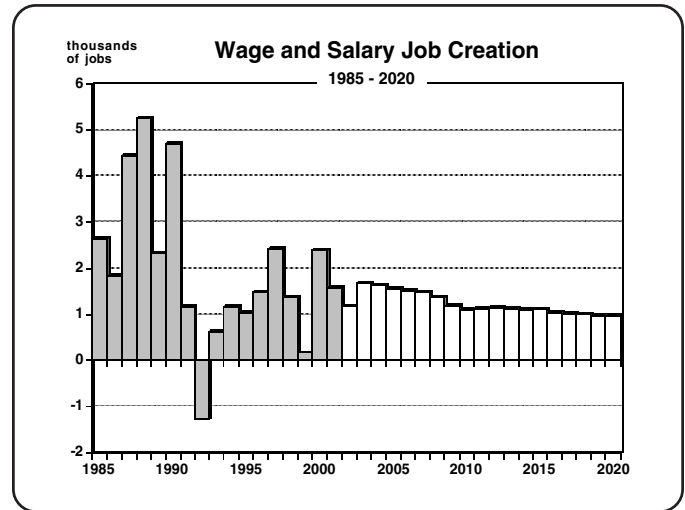
The county is largely dependent upon tourism and recreation, and retail trade and services constitute a large part of the local economy. According to the 2001 annual averages, services, retail trade, and government were the dominant employment industries in the county. Services accounted for the largest share with more than 28 percent of all employment, and retail trade contributed 25 percent of the total.

Non-farm industry employment projections have the government, services, and retail trade industries dominating growth over the next 5 years. These three industries, combined, are expected to account for 86 percent of the total growth in employment. By the year 2007, government is projected to add 1,200 jobs, and services should add 3,800. Within services, a majority of the new jobs are expected in business services. The county's retail trade industry will add 1,860 jobs over the five-year period.

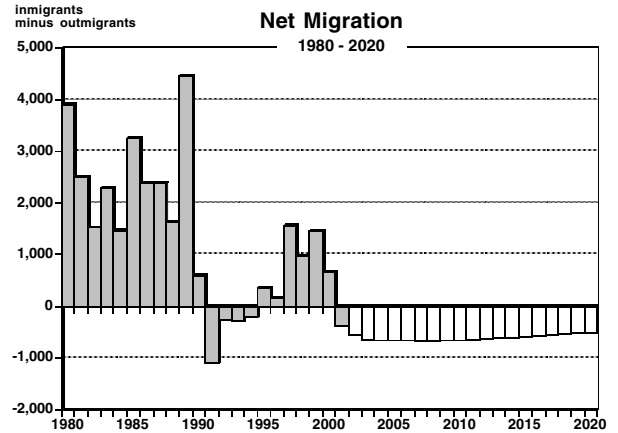
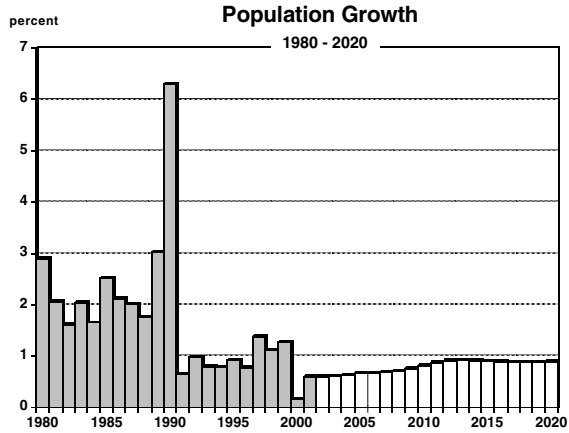
The southern area of Santa Cruz County, part of the fertile Pajaro Valley, is a productive agricultural district yielding strawberries, apples, lettuce, brussels sprouts, and flowers. Food processing firms, closely tied to farming, are located in or near Watsonville, the major community in the region. Employment not directly related to agriculture or tourism, such as computer services, educational services, and electronics-related manufacturing are scattered throughout the county.

Forecast Highlights

- Non-farm employment will grow 1.5 percent per year between 2002 and 2007. Farm employment is forecast to grow 0.8 percent per year over the same time period.
- Between 2002 and 2007, an annual average of 555 new residential units are authorized through the permitting process.



- Population growth slows to 0.65 percent per year between 2002 and 2007. The forecast calls for more out-migrants than in-migrants over the foreseeable future in Santa Cruz County. Lack of housing and high home prices are the principal reason for the negative forecast of net migration.
- Real per capita income rises an average 1.3 percent per year over the next 5 years.
- The median home selling price reached \$455,000 in March of 2002. It is forecast to rise 2.8 percent per year between 2002 and 2007. During the 1995 to 2000 period, the inflation-adjusted median home selling price leaped an average of 8.6 percent per year.



Santa Cruz County Economic Forecast

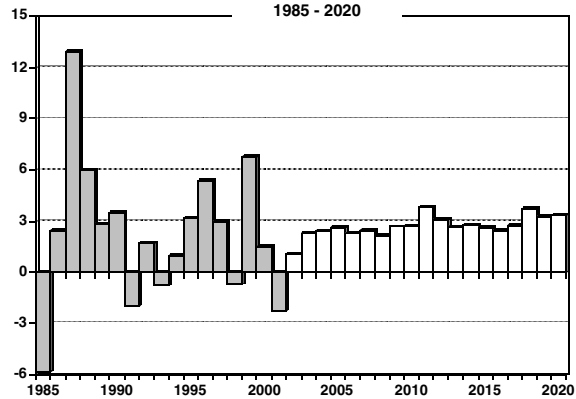
1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	245,300	358	204	86.3	503	\$1.4	\$6.3	\$31,969	\$235	\$1.4
1996	247,200	170	208	86.6	536	\$1.5	\$6.7	\$32,993	\$244	\$1.5
1997	250,600	1,574	200	86.9	751	\$1.6	\$7.1	\$33,783	\$279	\$1.5
1998	253,400	966	215	87.5	639	\$1.7	\$7.6	\$34,365	\$222	\$1.5
1999	256,600	1,456	220	88.0	506	\$1.9	\$8.2	\$35,283	\$248	\$1.6
2000	257,000	675	227	91.1	587	\$2.1	\$9.0	\$36,865	\$338	\$1.6
2001	258,500	-363	233	91.5	606	\$2.2	\$9.6	\$37,189	\$323	\$1.6
2002	260,007	-547	236	92.3	578	\$2.3	\$10.2	\$37,678	\$314	\$1.6
2003	261,542	-631	239	93.0	557	\$2.4	\$10.6	\$38,094	\$316	\$1.6
2004	263,169	-645	242	93.6	536	\$2.5	\$11.2	\$38,761	\$323	\$1.7
2005	264,880	-650	245	94.1	560	\$2.7	\$11.7	\$39,211	\$336	\$1.7
2006	266,664	-655	248	94.7	547	\$2.8	\$12.3	\$39,728	\$352	\$1.8
2007	268,509	-660	250	95.3	558	\$2.9	\$12.8	\$40,261	\$360	\$1.8
2008	270,434	-665	252	95.9	547	\$3.0	\$13.5	\$40,885	\$363	\$1.8
2009	272,496	-655	255	96.5	517	\$3.1	\$14.1	\$41,473	\$373	\$1.9
2010	274,721	-642	258	97.0	491	\$3.2	\$14.9	\$42,094	\$385	\$1.9
2011	277,094	-629	260	97.5	494	\$3.4	\$15.6	\$42,615	\$397	\$2.0
2012	279,584	-616	262	98.1	503	\$3.5	\$16.4	\$42,985	\$412	\$2.1
2013	282,121	-602	263	98.6	507	\$3.7	\$17.2	\$43,435	\$428	\$2.1
2014	284,663	-588	264	99.1	517	\$3.8	\$18.0	\$43,911	\$439	\$2.2
2015	287,196	-575	264	99.7	520	\$4.0	\$18.9	\$44,415	\$450	\$2.2
2016	289,719	-561	265	100.2	499	\$4.1	\$19.8	\$44,883	\$463	\$2.3
2017	292,250	-546	266	100.8	496	\$4.3	\$20.7	\$45,283	\$478	\$2.4
2018	294,802	-532	266	101.3	478	\$4.5	\$21.8	\$45,835	\$495	\$2.5
2019	297,390	-517	267	101.8	464	\$4.7	\$22.9	\$46,420	\$512	\$2.5
2020	300,018	-502	267	102.3	468	\$4.8	\$23.9	\$46,915	\$528	\$2.6

average annual
percent change

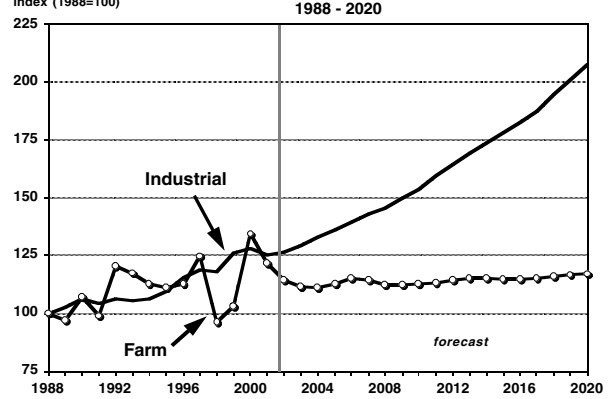
Real Industrial Production

1985 - 2020



Industrial and Farm Production Indices

1988 - 2020

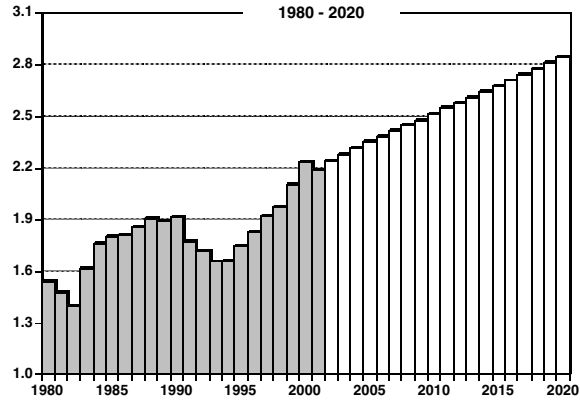


Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
98	11.7	3.2	0.0	12.8	2.5	23.4	3.1	24.2	16.7
99	11.7	3.4	0.1	12.7	2.8	23.7	3.0	24.9	16.9
102	11.2	3.7	0.1	12.2	3.0	24.6	3.3	25.9	17.6
103	11.0	4.0	0.1	11.5	3.1	24.7	3.5	27.2	18.0
103	9.1	4.6	0.1	10.6	3.0	25.4	3.7	28.0	18.8
106	8.3	4.8	0.0	10.3	2.9	26.2	3.7	29.8	19.5
107	7.9	5.1	0.0	10.0	3.0	27.0	3.5	30.6	20.2
108	8.0	5.2	0.0	9.7	3.0	27.4	3.5	31.5	20.2
110	8.0	5.3	0.1	9.7	2.9	27.8	3.5	32.3	20.5
112	8.1	5.4	0.1	9.6	2.9	28.2	3.6	33.1	20.7
113	8.2	5.5	0.1	9.6	2.9	28.5	3.6	33.8	21.0
115	8.2	5.6	0.1	9.6	2.9	28.9	3.7	34.6	21.2
116	8.3	5.7	0.1	9.6	2.9	29.2	3.8	35.3	21.4
118	8.3	5.8	0.1	9.7	2.9	29.6	3.9	35.9	21.5
119	8.4	5.8	0.1	9.7	3.0	29.9	4.0	36.5	21.6
120	8.4	5.7	0.1	9.8	3.0	30.2	4.1	37.1	21.7
121	8.5	5.6	0.1	9.9	3.0	30.5	4.2	37.6	21.9
122	8.5	5.6	0.1	10.0	3.0	30.8	4.3	38.0	22.0
123	8.6	5.5	0.1	10.1	3.0	31.1	4.4	38.4	22.3
125	8.6	5.5	0.1	10.3	3.0	31.3	4.5	38.8	22.5
126	8.6	5.5	0.1	10.4	3.0	31.6	4.5	39.1	22.8
127	8.7	5.5	0.1	10.5	3.0	31.9	4.6	39.4	23.0
128	8.7	5.4	0.1	10.7	3.0	32.2	4.7	39.7	23.3
129	8.7	5.4	0.1	10.9	3.0	32.4	4.8	39.9	23.6
130	8.8	5.2	0.1	11.1	3.0	32.7	4.9	40.1	23.9
131	8.8	5.1	0.1	11.3	3.0	33.0	4.9	40.2	24.3

billions of
2001 dollars

Real Taxable Retail Sales

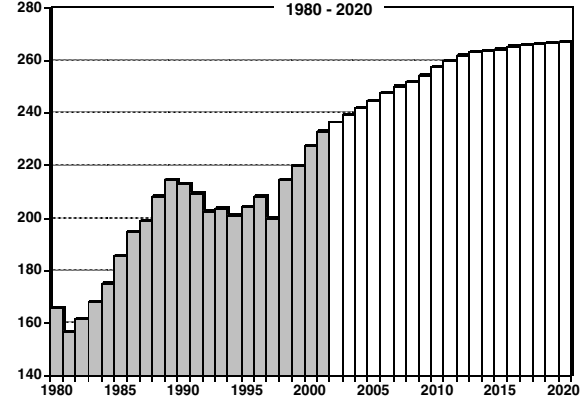
1980 - 2020



thousands of
vehicles

Total Registered Vehicles

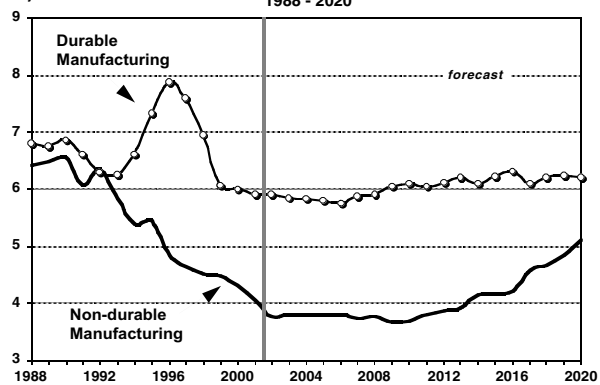
1980 - 2020



thousands of
jobs

Employment in Manufacturing

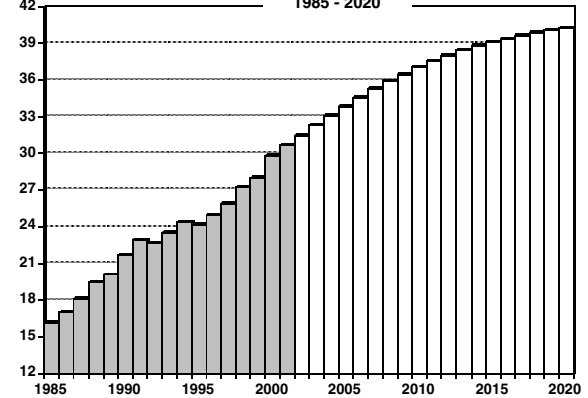
1988 - 2020



thousands of
jobs

Employment in Services

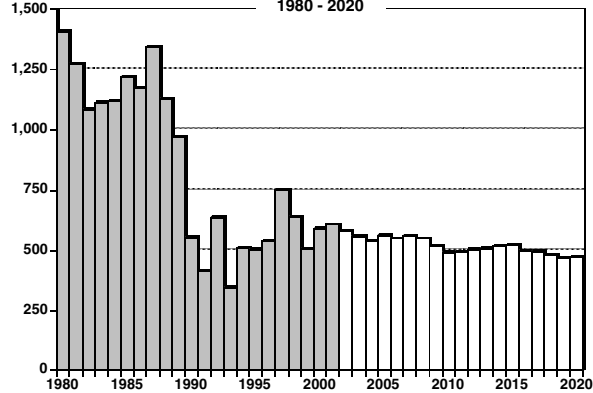
1985 - 2020



thousands of
units permitted

New Residential Units

1980 - 2020



2001 dollars
per worker

Real Earnings per Worker Santa Cruz County and California

1990 - 2020

